GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1820
ANSWERED ON:17.07.2009
EXCISE DUTY ON MEDICINES
Singh Shri Uday Pratap

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has proposals for reverting to the excise policy on medicines of pre 1999 period;

(b) if so, the details thereof ; and

(c) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI S.S. PALANIMANICKAM)

(a) Prior to 1999, excise duty on patent or proprietary medicaments was @ 15% ad valorem. However, medicaments (other than patent or proprietary) attracted a lower excise duty of 8%. Currently, the drugs/medicine attract a uniform excise duty of 4%. There is no proposal under consideration of the Government for reverting to the excise policy on medicines of pre 1999 period.

(b) Does not arise in view of (a) above.

(c) To reduce the cost of health care the excise duty on both patent or proprietary and other medicine has been unified and is currently at a concessional rate of 4% ad-valorem.